

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.2140 Vendors of Curtains, Slip Covers and Other Similar Items Made to Order</b>
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**TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 130  
RETAILERS' OCCUPATION TAX**

**Section 130.2140 Vendors of Curtains, Slip Covers and Other Similar Items Made to Order**

a) When Liable For Tax

- 1) Persons who engage in the business of selling portieres, drapes, curtains, marquee curtains, slip covers, tents, tarpaulins and other similar items incur Retailers' Occupation Tax liability when selling the items (with or without installation by the seller) to purchasers for use or consumption and not for resale whether the items are sold as stock or standard items or whether the seller produces the items on special order for the purchaser.
- 2) The same is true when custom-made Venetian blinds, window shades, awnings, screen doors, window screens, storm doors and storm windows are sold at retail "over-the-counter" without installation by the seller as a construction contractor under Section 130.1940(c) of this Part. This is true because the items, when produced on special order, serve substantially the same function as stock or standard items of tangible personal property that is sold at retail.
- 3) When sellers permanently affix tangible personal property to real estate, they act as construction contractors and incur Use Tax rather than Retailers' Occupation Tax. (For further information regarding the sales tax liabilities of construction contractors, see the Department's regulations on Construction Contractors and Real Estate Developers at 86 Ill. Adm. Code 130.1940 and Sales to Construction Contractors, Real Estate Developers and Speculative Builders at 86 Ill. Adm. Code 130.2075.)

b) Labor Charges

- 1) In computing Retailers' Occupation Tax liability on the retail sale of custom-made items, no deduction may be taken for the cost of labor involved in producing the finished item for sale. This is true whether the production labor is included in a lump sum price with the tangible personal property or whether the production labor is priced separately from the tangible personal property. The thing that is being sold is the finished item (e.g., drapes), and the cost of labor involved in making the item is

no more deductible than is the cost of labor that is involved in producing a stock or standard item for sale.

- 2) However, receipts from installation charges are deductible from total receipts in computing Retailers' Occupation Tax liability if the charges are contracted for by the seller and the purchaser separately from the selling price of the finished tangible personal property, but even receipts from installation charges are taxable if the installation charge is included in a lump sum price with the tangible personal property (see Section 130.450 of this Part).

(Source: Amended at 27 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)